

**DEPARTMENT OF THE TREASURY
U.S. CUSTOMS SERVICE**

**ANNOUNCEMENT OF CHANGES TO THE ELIGIBILITY REQUIREMENTS
FOR PARTICIPATION IN REMOTE LOCATION FILING PROTOTYPE TWO**

AGENCY: U.S. Customs Service, Department of the Treasury.

ACTION: General notice.

SUMMARY: This notice announces a new eligibility requirement for participation in the second prototype of Customs Remote Location Filing program (RLF). Specifically, customs brokers who are RLF applicants or current RLF participants must hold a national broker permit to participate in RLF. This notice also announces that the provisions of part 111 of the Customs Regulations now apply to the prototype.

DATES: The changes to Customs second prototype of the Remote Location Filing program will go into effect July 6, 2001. Customs brokers who are current participants in RLF must submit their national permit numbers to Customs on or before [120 days from July 6, 2001]. Comments concerning these changes, or any other aspect of RLF, may be submitted to Customs at any time.

ADDRESSES: Written comments (preferably in triplicate) regarding this notice, and submissions of national permit numbers, should be addressed to

the Remote Filing Team, Office of Field Operations, U.S. Customs Service,
1300 Pennsylvania Avenue, N.W., Room 5.2-B, Washington, D.C. 20229.

FOR FURTHER INFORMATION CONTACT:

For systems or automation issues: Steve Linnemann (202) 927-0436, Jackie Jegels (301) 893-6717, or Patricia Welter (305) 869-2782.

For operational or policy issues: Vikki Lazaro (202) 927-4342 or via email at Vikki.Lazaro@customs.treas.gov.

SUPPLEMENTARY INFORMATION:

BACKGROUND

RLF Authorized by the National Customs Automation Program (NCAP)

Title VI of the North American Free Trade Agreement Implementation Act, Pub. L. 103-182, 107 Stat. 2057 (December 8, 1993), contains provisions pertaining to Customs Modernization (107 Stat. 2170). Subpart B of title VI of the Act concerns the National Customs Automation Program (NCAP), an electronic system for the processing of commercial imports. Within subpart B, section 631 of the Act adds section 414 (19 U.S.C. 1414), which provides for Remote Location Filing (RLF), to the Tariff Act of 1930, as amended. RLF permits an eligible NCAP participant to elect to electronically file a formal or informal consumption entry with Customs from a remote location within the Customs territory of the United States other than the port of arrival, or from within the port of arrival with a requested designated examination site outside the port of arrival.

RLF Test Prototypes

In accordance with section 101.9(b) of the Customs Regulations (19 CFR 101.9(b)), Customs has developed and tested two RLF prototypes.

RLF Prototype Two commenced on January 1, 1997. See document published in the **Federal Register** (61 FR 60749) on November 29, 1996. On December 7, 1998, Customs announced in the **Federal Register** (63 FR 67511) that Prototype Two would remain in effect until Customs concluded the prototype by notice in the **Federal Register**. Accordingly, the RLF Prototype Two terms and conditions set forth in the December 7, 1998, document remain in effect, except for those explicitly changed by this notice and described below.

Change to RLF Prototype Two Eligibility Criteria

This notice adds a new eligibility requirement for participation in RLF. The new requirement is in addition to those eligibility criteria applicable to RLF Prototype Two, as described in the December 7, 1998, **Federal Register** document, which remain in effect. The new eligibility requirement mandates that a licensed customs broker who applies to participate in RLF must hold a national permit. The procedures for obtaining a national permit are set forth in § 111.19(f) of the Customs Regulations (19 CFR 111.19(f)). Licensed customs brokers who are current participants in RLF may continue to participate in the prototype without reapplying; however, they must submit proof to Customs that they hold a national permit (i.e., submission of the broker's national permit number) within 120 days from the date of this notice

to retain eligibility to participate in RLF. National permit numbers must be submitted to the Remote Filing Team, Office of Field Operations, U.S. Customs Service, 1300 Pennsylvania Avenue, N.W., Room 5.2-B, Washington, D.C. 20229. Failure to timely submit such proof to Customs will result in the automatic suspension of the broker's eligibility to participate in RLF, effective 121 days from the date of this notice. The suspension will remain in effect, during which time the broker will be precluded from electronically filing new entries from a remote location, until Customs receives and verifies the broker's national permit number. Upon receipt and verification, Customs will notify the broker of the reinstatement date of the broker's right to participate in RLF, and the broker will not need to reapply to participate in RLF. It should be noted that individuals who are otherwise eligible to participate in RLF, who are not customs brokers, are not required to hold a national broker permit.

This change to the RLF eligibility criteria reflects the terms of part 111 of the Customs Regulations, which sets forth the regulations providing for the licensing of and granting of permits to customs brokers. Section 111.2 of the Customs Regulations (19 CFR 111.2) provides for the license and district permit requirements applicable to customs brokers. Section 111.2(b)(2)(i)(C) provides that a national permit issued to a broker under § 111.19(f)

constitutes sufficient permit authority for a broker who is a NCAP participant. As RLF is a component of the NCAP, this notice amends the RLF eligibility criteria to conform to the terms of § 111.2.

Part 111 of the Customs Regulations Applies to RLF Prototype Two

In the December 7, 1998, **Federal Register** document, in the section entitled “Regulatory Provisions Suspended”, Customs stated that certain provisions in part 111 of the Customs Regulations were suspended for the duration of the second prototype test. This notice announces that the provisions of part 111 are now applicable to customs brokers participating in the RLF prototype.

Dated: June 29, 2001

Bonni G. Tischler

Assistant Commissioner,
Office of Field Operations